



Northern States Power Company

May 1, 1997

10 CFR 140.21

Director of Nuclear Reactor Regulation
U. S. Nuclear Regulatory Commission
Attention: Document Control Desk
Washington, DC 20555

MONTICELLO NUCLEAR GENERATING PLANT
Docket No. 50-263 License No. DPR-22

PRAIRIE ISLAND NUCLEAR GENERATING PLANT
Docket No. 50-282 License No. DPR-42
50-306 DPR-60

Guarantee of Payment of Deferred Premiums

Federal regulation 10 CFR 140.21 and item 154 of Regulatory Guide 10.1 Rev 4, requires each licensee to provide evidence of maintaining a method to guarantee payment of deferred premiums for each licensed operating reactor. Regulatory Guide 9.4 provides guidelines for the guarantee method of submitting financial statements showing that a cash flow can be generated and would be available for payment of retrospective premiums within three months after submission of a request for payment.

In accordance with the above requirements, Northern States Power is hereby submitting the required 1996 actual and 1997 projected cash flow statements with proprietary information appropriately marked as provided by 10 CFR 2.790(b)(1), and with the required affidavit to support withholding the proprietary information from public disclosure.

The cash flow statements comply with the format suggested in Regulatory Guide 9.4 with one minor exception. We have reduced net income by dividends declared for the forecast year 1997, instead of dividends paid, to arrive at retained earnings on the third line of the statement. This adjustment was made to reflect the fact that NSP normally declares dividends so that a charge is made to retained earnings during a quarter and a corresponding credit is made to dividends payable. The cash disbursement is made during the first month of the following calendar quarter. Any increase in dividends declared during the year will be properly

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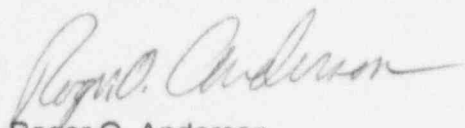
Attachment 2 Contains NSP Proprietary Information

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reflected in the retained earnings account as a result of treating the dividends in the manner which we have elected for this filing.

As noted above, portions of the 1997 cash flow information are considered company confidential, and as such we request that it be withheld from public disclosure pursuant to 10 CFR 2.790(b)(1). The affidavit to support this request is provided as Attachment 1. Proprietary and non-proprietary versions of the cash flow information are provided by Attachment 2 and Attachment 3 respectively.

If you have any questions with regard to this information, please call Sharon Rassier at 612-330-5618 or Sam Shirey at 612-295-1449.



Roger O. Anderson
Director,
Licensing & Management Issues

Attachments:

1. NSP Affidavit to Request Withholding of Proprietary Information from Public Disclosure
 2. NSP's 1996 Actual Cash Flow and 1997 Projected Cash Flow (Proprietary Version)
 3. NSP's 1996 Actual Cash Flow and 1997 Projected Cash Flow (Non-Proprietary Version)
- c:
- Regional Administrator-III, NRC
 - Monticello NRR Project Manager, NRC
 - Monticello Resident Inspector, NRC
 - Prairie Island NRR Project Manager, NRC
 - Prairie Island Resident Inspector, NRC
 - State of Minnesota, Attn: Kris Sanda
 - J E Silberg
 - A D Brusven
 - E V Gray
 - S I Shirey
 - S M Rassier
 - G M Olson